

# **TWENTY SEVENTH ANNUAL REPORT**

FOR THE YEAR ENDED

31ST MARCH 2012



**BOARD OF DIRECTORS****SRI. R RAMAKRISHNAN****SRI. S E S MANI****SRI. S RAMAKRISHNAN****SECRETARY****SRI. R KRISHNAN****BANKERS****The Karur Vysya Bank Ltd.  
United Bank of India  
State Bank of Mysore****AUDITORS****M/S. SUNDARAM & SRINIVASAN  
Chartered Accountants  
23, C P Ramaswamy Road,  
Chennai - 600 018.****REGISTERED OFFICE****III Floor  
Auras Corporate Center  
98-A, Dr. Radhakrishnan Salai,  
Mylapore, Chennai - 600 004  
Tel : 044 - 2847 8605  
email: upasana\_shares@yahoo.com****Green Initiative in the Corporate Governance**

The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with RTA of the Company.

## **NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the Shareholders of the Company will be held at the Narada Gana Sabha Trust (MINI HALL) New No. 314 (Old No. 254), T T K Road, Alwarpet, Chennai 600 018 on Monday the 17<sup>th</sup> September 2012 at 10.00 A M to transact the following business:

### **Ordinary Business**

1. To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
 "RESOLVED that the Audited Balance Sheet as at 31st March 2012, the Statement of Profit and Loss for the year ended 31st March 2012 and the Reports of the Directors and the Auditors of the Company, be and are hereby approved and adopted."
2. To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
 "RESOLVED that Sri R Ramakrishnan, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company."
3. To consider and, if thought fit, to pass, with or without modification the following Resolution as an Ordinary Resolution:  
 "RESOLVED that M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, Auditors of the Company, (Registration No.004207S with the Institute of Chartered Accountants of India) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors of the Company, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the Audit."

Chennai  
18<sup>th</sup> May, 2012

By Order of the Board  
**R KRISHNAN**  
Secretary

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. The instrument appointing proxy should be deposited at the Office of the Company's Share Transfer Agents viz. Integrated Enterprises (India) Limited, Kences Tower , 2nd Floor, No.1 Ramakrishna Street, T Nagar, North Usman Road, Chennai 600 017 at least 48 hours before the commencement of the meeting.
3. Members desiring any information as regards accounts are requested to write to the Company at least seven days before the meeting so as to enable the Management to keep the information ready.
4. Members holding shares in physical form, are requested to notify/send the following to the Registrar and Share Transfer Agent of the Company
  - a) any change in their address/mandate/bank details
  - b) Nomination in Form 2B, in duplicate as provided under Section 109A of the Companies Act, 1956, in case they have not been sent earlier.
  - c) Share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into one account.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 7th September 2012 to 17th September 2012 (both days inclusive.)
6. Members, holding shares in electronic form, may please note that, as per the applicable regulations of the depositories, the bank details as furnished by the respective Depositories to the Company will be printed on the dividend warrants issued from time to time. The Company will not entertain any direct request from such members for deletion of/change in such bank details. Further, instructions if any, already given by members in respect of share in physical form will not be automatically applicable to the dividend payable on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.
7. At this Annual General Meeting Sri R Ramakrishnan, Director, retires by rotation and being eligible, offers himself for re-appointment. The particulars of Sri R Ramakrishnan, Director as required to be furnished under the Listing Agreement are provided hereunder.

Born on 15th May 1937, Sri R Ramakrishnan is a Bachelor of Science from Madras University. He underwent training in Tata Iron & Steel Company Limited, Jamshedpur. He is lifetime Member of Wire Association International, USA. He started Indian Reinforcing Co (Welded Mesh) Pvt Ltd in 1958 and Concord Arai Pvt Ltd in 1965. He was a Member of Indian Advisory Board, Standard Chartered Bank for 6 years during 1987 to 1993. He was a Director of IndusInd Bank Limited, Mumbai, for 8 years from 1996 to 2004. He was a Director of SRP Tools Limited, Chennai, from 1990 to 2005. Sri R Ramakrishnan has more than 53 years of managerial experience in manufacturing, marketing as an entrepreneur. He has 19 years experience in Finance and Banking. He has been associated with the Company since June 2003.

The details of other Directorships / Committee Memberships held by Sri R Ramakrishnan are as follows :

### **Directorship :**

Chairman	-	Indian Reinforcing Co (Welded Mesh) Private Ltd.
Managing Director	-	Concord Arai Pvt Ltd
Director	-	Yekediar Farms Pvt Ltd, Yekediar Holdings & Properties Pvt Ltd, Yekediar Estates Pvt Ltd, Yekediar Coconuts Pvt Ltd, Sundram Fasteners Limited

### **Committee Membership :**

Sundram Fasteners Limited	-	Investor / Shareholders Grievance Committee – Chairman Audit Committee – Member
---------------------------	---	--

**DIRECTORS' REPORT TO THE SHARE HOLDERS**

The Directors are pleased to present the Twenty Seventh Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2012.

	2011-2012	Rs.in lakhs	2010-2011
<b>1. <u>FINANCIAL RESULTS:</u></b>			
Income from Operations	<b>376.54</b>		99.69
Other Income	<b>18.86</b>		13.27
Profit/(Loss) before Interest & Depreciation	<b>339.86</b>		57.16
Less: Interest	-		1.07
Less: Depreciation	-		0.01
Profit before Tax	<b>339.86</b>		56.08
Less : Provision for Tax	<b>104.20</b>		(19.10)
Profit after Tax	<b>235.66</b>		75.18
Add: Balance brought forward	<b>(517.21)</b>		(583.86)
Amount available for appropriation	<b>(281.56)</b>		(508.68)
Less: Appropriations			
Transfer to Statutory Reserve	<b>47.13</b>		8.53
Balance Carried Over	<b>(328.69)</b>		(517.21)

**2. DIVIDEND:**

In view of the accumulated losses, the Directors are unable to recommend any dividend on equity shares for the year ended 31st March 2012.

**3. MANAGEMENT DISCUSSION AND ANALYSIS****Classification by RBI**

The Company is registered with RBI as Non Deposit taking Non-Banking Financial Company (NBFC-ND) and has a valid certificate of Registration.

**Business Review**

The Company continues to concentrate upon recovery of overdue receivables. Even while pursuing the legal route, the Company attempts negotiations with customers for early recovery of debts. During the year, the Company has collected an amount of Rs. 313.45 lakhs during the year.

**Future Outlook**

The company is not entering into fresh contracts for business and is continuing to concentrate upon recovery of overdue receivables and is hopeful that the impact of this approach on the net worth will be more beneficial to the company.

**4. DEPOSITS**

There are no unclaimed deposits. There are no matured deposits claimed by the depositors, but not paid by the company.

**5. DIRECTORS**

Sri R Ramakrishnan, Director, retires from the Board by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

**6. AUDITORS**

M/s Sundaram and Srinivasan, Chartered Accountants, Chennai, retire at the ensuing Twenty Seventh Annual General Meeting and are eligible for re-appointment.

**7. CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the listing agreement with the stock exchanges, a separate report on Corporate Governance together with a certificate from the Company's Auditors confirming the compliance of conditions of Corporate Governance is attached to this report.

**8. INFORMATION AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT 1956**

The Company is a Non-Banking Finance Company and is not engaged in manufacturing activity of any kind. The disclosure of information regarding conservation of energy is therefore not applicable to the company. There was no foreign exchange earning or outgo for the company during the year. The Company has nothing to report with regard to technology absorption.

**9. DIRECTORS' RESPONSIBILITY STATEMENT****The Directors confirm that:**

- in the preparation of annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures.
- appropriate accounting policies have been selected and applied consistently, and judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit of the company for that year.
- proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- the annual accounts have been prepared on a going concern basis.

**10. PERSONNEL**

None of the employees of the Company is in receipt of remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956.

**11. GENERAL**

Your Directors wish to place on record their appreciation for the continued support from all those assisting the recovery of over dues. The Directors also wish to thank the employees for their co-operation.

CHENNAI  
18<sup>th</sup> May 2012

**R RAMAKRISHNAN**  
DIRECTOR

**S RAMAKRISHNAN**  
DIRECTOR

**SUNDARAM & SRINIVASAN**  
Chartered Accountants

**23, C.P. Ramaswamy Road,**  
**Alwarpet, Chennai - 600 018.**

**CERTIFICATE**

To the members of Upasana Finance Limited, Chennai 600 004

We have examined the Compliance of the conditions of Corporate Governance by **Upasana Finance Limited**, Chennai ("The Company") for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SUNDARAM & SRINIVASAN**  
**Regn. No. 004207S**  
**CHARTERED ACCOUNTANTS**

**Chennai**  
**Date : 18<sup>th</sup> May 2012**

**P. MENAKSHISUNDARAM**  
**PARTNER**  
**Membership No.217914**

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 - 03 - 2012**

(As required by Clause 49 of the Listing Agreement with the Stock Exchanges)

**MANDATORY REQUIREMENTS**

**1. Company's Philosophy on Code of Governance**

The company believes in abiding by the Laws of the Land.

**2. Board of Directors**

**a. Composition and Category of Directors**

The Board comprises of 3 Non-Executive Directors, all of are independent All information as required under Annexure 1A to Clause 49 is being made available to the Board.

There is no pecuniary relationship / transaction with any of the Directors other than reported elsewhere.

**b. Attendance of each Director at the Meetings of the Board of Directors and the last Annual General Meeting.**

During the financial year 2011-2012 the Board met 5 times on 30th April 2011, 12th May 2011, 5th August 2011, 10th November 2011 and 9th February 2012. The following table gives details pertaining to attendance of Directors at the board meetings and at the last annual general meeting and number of companies and committees where they are Director/Member:

Name of the Director	Attendance		No. Of Directorships in Public Limited Companies (including this Company)	Committee memberships (including this Company)	
	Board	AGM		Chairman	Member
Sri R Ramakrishnan	5	Yes	2	3	1
Sri S Ramakrishnan	5	Yes	2	Nil	2
Sri S E S Mani	5	Yes	1	Nil	2

**c. Code of Conduct**

The Board of Directors of the Company have laid down a Code of Conduct applicable for all Board Members and the Senior Management of the Company. This Code of Conduct is displayed in the website of the Company [www.upasanafinance.com](http://www.upasanafinance.com). Further, all Board Members and the Senior Management of the Company have affirmed their adherence to the Code. A declaration signed by Sri S Ramakrishnan, Director to this effect is enclosed at the end of this report.

**3. Audit Committee**

The Audit Committee of the Board comprises of three Directors with all of them being independent viz. Sri R Ramakrishnan, Sri S E S Mani and Sri S Ramakrishnan with Sri R Ramakrishnan as its Chairman.

Meetings and attendance during the year.

Four Meetings of the Audit Committee were held during the year on 12th May 2011, 5th August 2011, 10th November 2011 and 9th February 2012.

Name of the Director	No. of meetings attended
R Ramakrishnan	4
S Ramakrishnan	4
S E S Mani	4

The Chairman of the Audit Committee was present at the Annual General Meeting held on 15th September 2011. Sri R Krishnan, Secretary, acts as Secretary of the Audit Committee.

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 - 03 - 2012 (Contd.)****Brief Description and terms of reference:**

The Terms of Reference of Audit Committee cover the matters specified for Audit Committees under clause 49 of the Listing Agreements as well as in Section 292 of the Companies Act, 1956. The role of Audit Committee is as prescribed under clause 49(II)(D) of the Listing Agreement.

**4. Remuneration / Compensation Committee**

The Company has not set up a Remuneration Committee. The Directors have waived even the sitting fees and do not receive any remuneration

**5. Investor/ Shareholder Grievance Committee**

The Share Transfer and Investor/Shareholder Grievance Committee of the Board comprises of Sri R Ramakrishnan, Chairman, Sri S E S Mani and Sri S Ramakrishnan, as members. The Committee deals inter alia with redressal of Investors/ shareholders complaints. Sri R Krishnan, Secretary of the Company is the Compliance Officer of the Company. During the year, 40 queries/complaints were received from shareholders/ investors and other agencies, all of which have been resolved. The Company has no transfer application pending for registration as on 31st March 2012.

**6. General Meetings**

Details of the location, date and time of the last three Annual General Meetings (AGM) and the details of the resolutions passed or to be passed by Postal Ballot:

Year	Location	Date	Time
<b>2010-2011</b>	<b>Narada Gana Sabha (Mini Hall), Chennai</b>	<b>15/09/2011</b>	<b>10.00 A.M.</b>
<b>2009-2010</b>	<b>The Music Academy (Mini Hall), Chennai</b>	<b>28/09/2010</b>	<b>02.00 P.M.</b>
<b>2008-2009</b>	<b>The Music Academy (Mini Hall), Chennai</b>	<b>29/09/2009</b>	<b>02.45 P.M.</b>

All the resolutions set out in the respective notices were passed by the shareholders. No Postal Ballots were required to be used for voting at these meetings. No Special Resolution is proposed to be passed by Postal Ballot at the ensuing Annual General Meeting.

Brief background, functional experience of the Director seeking re-appointment.

The detail of Director seeking appointment/re-appointment is provided in the Notice calling for the Annual General Meeting.

**7. Disclosure**

Transactions where Directors may have pecuniary interest

All details relating to financial and commercial transactions where Directors may have pecuniary interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matter. In matters other than those involving pecuniary interest, the Directors are considered to be interested to the extent of their shareholding in the Company and the following is the status of their shareholding as on 31st March 2012.

Name of the Director	Number of Equity Shares	% of Holding
R Ramakrishnan	-	-
S Ramakrishnan	200	0.0046
S E S Mani	200	0.0046

Materially significant related party transactions during the year ended 31st March 2012

There are no materially significant related party transactions made by the company with its Promoters, Directors, their subsidiaries, relatives etc. that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly and approval obtained.

Accounting Treatment

The Company follows Accounting Standards prescribed, by the Central Government in consultation with National Advisory Committee on Accounting Standards, under the Companies (Accounting Standards) Rules, 2006 and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during the last three years.

The Company has fully complied with all matters relating to Capital Market and Listing Agreement with the Stock Exchanges.

**8. Means of Communication**

The Company mails the Annual Report every year individually to all the shareholders. The Management Discussion and Analysis Report forms a part of this Annual Report.

The quarterly, half yearly and annual results are published in Trinity Mirror (English) and Makkal Kural (Tamil). These are not sent individually to the Shareholders.

The Financial Results are displayed on the website of the Company, [www.upasanafinance.com](http://www.upasanafinance.com)

The Management Discussion and Analysis Report forms part of this Annual Report.

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 - 03 - 2012 (Contd.)****9. General Shareholder Information**

1	Annual General Meeting, Date and Time and Venue	17th September 2012, 10.00 AM, Narada Gana Sabha Trust (Mini Hall), New No.314,(Old No.254), T.T.K. Road, Alwarpet, Chennai - 18
2	Financial Calendar 2012-2013 First Quarter Results Half-Yearly Results Third Quarter Results Annual Results for the year ending 31st March 2013	On or before 14.08.2012 On or before 14.11.2012 On or before 14.02.2013  On or before 30.05.2013
3	Book Closure date	07/09/2012 to 17/09/2012
4	Listing of Equity Shares on Stock Exchanges	The equity shares of the Company are listed with Bombay Stock Exchange Limited (BSE) and Madras Stock Exchange Limited (MSE). The Company has paid the annual listing fees to the Stock Exchanges for the year 2012-13
5	Registrar and Transfer Agents	Integrated Enterprises (India) Limited, Kences Towers, II Floor No. 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017 are acting as common agency for all investor servicing activities relating to both electronic and physical segments.
6	Stock Code  ISIN No. for Company's Equity shares in Demat Form Depository Connectivity	Madras Stock Exchange - UPASANFIN Bombay Stock Exchange - 511764 INE819K01014  National Securities Depository Limited (NSDL) Central Depository Services (India) Limited (CDSL)
7	Share Transfer System	All the transfer of shares in physical form are processed and approved by the Share Transfer and Shareholder/Investor Grievance Committee Share Transfers/Remat requests are processed within a period of 30 days from the date of receipt. Demat requests are processed within a period of 10 days from the date of receipt in compliance with the Listing / SEBI Guidelines,  ➤ A Practising Company Secretary carried out Secretarial Audit on "Dematerialised Equity Shares and Equity Shares in physical form" every quarter and the necessary Reports are filed with the Stock Exchanges. The Equity Shares in Dematerialised form and Physical form tally with the issued/paid-up and listed capital of the Company. ➤ A Practising Company Secretary carries out a Due Diligence survey, pertaining to share transfers every six months and necessary certificates to that effect are issued and the same are filed with the Stock Exchanges.
8	Pattern of Shareholding as on 31.03.2012	Data in statement form – Enclosed
9	Distribution of Shareholding as on 31.03.2012	Data in statement form – Enclosed
10	Share Performance/ Share Price Data – High/Low	Data in statement form - Enclosed
11	Dematerialisation of Shares  Details of public funding obtained in the last three years  Outstanding GDRs / ADRs / Warrants or any convertible instruments  Registrar and Share Transfer Agent of the Company	Shares of the Company can be held and traded in electronic form. 3105700 Nos. of equity shares is held in dematerialized form with NSDL and CDSL as on 31 <sup>st</sup> March 2012.  No capital has been raised in the last three years.  Not issued  Integrated Enterprises (India) Limited, Kences Towers, II Floor No. 1 Ramakrishna Street, North Usman Road, T Nagar, Chennai 600 017 Telephone 044 – 28140801 – 803 / Fax : 044-28142479, 2814 3378 E-mail corpserv@integratedindia.in
12	Address for communication	III Floor, Auras Corporate Centre, No.98 A, Dr Radhakrishnan Salai, Mylapore, Chennai 600 004. Phone : 044- 28478605
13	Compliance Officer	Sri R Krishnan, Secretary III Floor, Auras Corporate Centre, No.98 A, Dr Radhakrishnan Salai, Mylapore, Chennai 600 004. Phone: 044-28478605
14	Exclusive E-mail id for redressal of investor complaints	In terms of Clause 47(f) of the Listing Agreement, investors may use the E-mail id: upasana_shares@yahoo.com for redressal of complaints.
15	Website	Website of the Company is www.upasanafinance.com